

Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No. 1545-0047

2007Open to Public
Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

A For the 2007 calendar year, or tax year beginning **APR 1, 2007** and ending **MAR 31, 2008****B** Check if applicable:

- ☐ Address change
☐ Name change
☐ Initial return
☐ Termination
☐ Amended return
☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization**BLUE HILL MEMORIAL HOSPITAL**

Number and street (or P.O. box if mail is not delivered to street address)

P.O. BOX 823, 57 WATER STREET

City or town, state or country, and ZIP + 4

BLUE HILL, ME 04614**D** Employer identification number**01-0227195****E** Telephone number**207-973-7064****F** Accounting method: ☐ Cash ☒ Accrual
☐ Other (specify) ▶

• Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).

H and I are not applicable to section 527 organizations.**H(a)** Is this a group return for affiliates? ☐ Yes ☒ No**H(b)** If "Yes," enter number of affiliates ▶ **N/A****H(c)** Are all affiliates included? **N/A** ☐ Yes ☐ No
(If "No," attach a list.)**H(d)** Is this a separate return filed by an organization covered by a group ruling? ☐ Yes ☒ No**I** Group Exemption Number ▶ **N/A****G** Website: ▶ **HTTP://WWW.BHMH.ORG****J** Organization type (check only one) ☒ 501(c) (3) (insert no.) ☐ 4947(a)(1) or ☐ 527**K** Check here ☐ if the organization is not a 509(a)(3) supporting organization and its gross receipts are normally not more than \$25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.**M** Check ☐ if the organization is not required to attach Sch. B (Form 990, 990-EZ, or 990-PF).**L** Gross receipts: Add lines 6b, 8b, 9b, and 10b to line 12 ▶ **48,412,340.****Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances**

Revenue	1	Contributions, gifts, grants, and similar amounts received:			
	a	Contributions to donor advised funds	1a		
	b	Direct public support (not included on line 1a)	1b	499,478.	
	c	Indirect public support (not included on line 1a)	1c	643,755.	
	d	Government contributions (grants) (not included on line 1a)	1d	101,027.	
	e	Total (add lines 1a through 1d) (cash \$ 600,505. noncash \$ 643,755.)	1e	1,244,260.	
	2	Program service revenue including government fees and contracts (from Part VII, line 93)	2	44,643,905.	
	3	Membership dues and assessments	3		
	4	Interest on savings and temporary cash investments	4	59,010.	
	5	Dividends and interest from securities	5	73,615.	
	6a	Gross rents SEE STATEMENT 1	6a	39,180.	
	6b	Less: rental expenses	6b		
6c	Net rental income or (loss). Subtract line 6b from line 6a	6c	39,180.		
7	Other investment income (describe ▶)	7			
Revenue	8a	Gross amount from sales of assets other than inventory	(A) Securities 2,026,185.	8a	
	b	Less: cost or other basis and sales expenses	1,781,530.	8b	14,598.
	c	Gain or (loss) (attach schedule)	244,655.	8c	-14,598.
	d	Net gain or (loss). Combine line 8c, columns (A) and (B) STMT 2	STMT 3	8d	230,057.
	9	Special events and activities (attach schedule). If any amount is from gaming, check here <input type="checkbox"/>			
	a	Gross revenue (not including \$ of contributions reported on line 1b)	9a		
	b	Less: direct expenses other than fundraising expenses	9b		
	c	Net income or (loss) from special events. Subtract line 9b from line 9a	9c		
	10a	Gross sales of inventory, less returns and allowances	10a		
	b	Less: cost of goods sold	10b		
10c	Gross profit or (loss) from sales of inventory (attach schedule). Subtract line 10b from line 10a	10c			
11	Other revenue (from Part VII, line 103)	11	326,185.		
12	Total revenue. Add lines 1e, 2, 3, 4, 5, 6c, 7, 8d, 9c, 10c, and 11	12	46,616,212.		
Expenses	13	Program services (from line 44, column (B))	13	42,163,709.	
	14	Management and general (from line 44, column (C))	14	4,801,089.	
	15	Fundraising (from line 44, column (D))	15		
	16	Payments to affiliates (attach schedule) SEE STATEMENT 4	16	183,221.	
	17	Total expenses. Add lines 16 and 44, column (A)	17	47,148,019.	
Net Assets	18	Excess or (deficit) for the year. Subtract line 17 from line 12	18	-531,807.	
	19	Net assets or fund balances at beginning of year (from line 73, column (A))	19	20,483,165.	
	20	Other changes in net assets or fund balances (attach explanation) SEE STATEMENT 5	20	-1,510,153.	
	21	Net assets or fund balances at end of year. Combine lines 18, 19, and 20	21	18,441,205.	

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LHA For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

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Part II Statement of Functional Expenses

All organizations must complete column (A). Columns (B), (C), and (D) are required for section 501(c)(3) and (4) organizations and section 4947(a)(1) nonexempt charitable trusts but optional for others.

Do not include amounts reported on line 6b, 8b, 9b, 10b, or 16 of Part I.	(A) Total	(B) Program services	(C) Management and general	(D) Fundraising
22a Grants paid from donor advised funds (attach schedule) (cash \$ <u>0</u> • noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>				
22b Other grants and allocations (attach schedule) (cash \$ <u>0</u> • noncash \$ <u>0</u>) If this amount includes foreign grants, check here <input type="checkbox"/>				
23 Specific assistance to individuals (attach schedule)				
24 Benefits paid to or for members (attach schedule)				
25a Compensation of current officers, directors, key employees, etc. listed in Part V-A	1,333,108.	480,362.	852,746.	0.
b Compensation of former officers, directors, key employees, etc. listed in Part V-B	0.	0.	0.	0.
c Compensation and other distributions, not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
26 Salaries and wages of employees not included on lines 25a, b, and c	13,154,999.	11,472,768.	1,682,231.	
27 Pension plan contributions not included on lines 25a, b, and c	387,080.	348,628.	38,452.	
28 Employee benefits not included on lines 25a - 27	1,912,514.	1,757,316.	155,198.	
29 Payroll taxes	939,922.	770,026.	169,896.	
30 Professional fundraising fees				
31 Accounting fees	118,420.		118,420.	
32 Legal fees	13,496.		13,496.	
33 Supplies	2,582,555.	2,490,797.	91,758.	
34 Telephone	199,151.	937.	198,214.	
35 Postage and shipping	79,253.	43,265.	35,988.	
36 Occupancy	881,169.	799,475.	81,694.	
37 Equipment rental and maintenance	354,973.	51,419.	303,554.	
38 Printing and publications				
39 Travel	74,210.	42,641.	31,569.	
40 Conferences, conventions, and meetings				
41 Interest	352,584.	352,584.		
42 Depreciation, depletion, etc. (attach schedule)	1,439,102.	1,439,102.		
43 Other expenses not covered above (itemize):				
a				
b				
c				
d				
e				
f				
g SEE STATEMENT 6	23,142,262.	22,114,389.	1,027,873.	
44 Total functional expenses. Add lines 22a through 43g. (Organizations completing columns (B)-(D), carry these totals to lines 13-15)	46,964,798.	42,163,709.	4,801,089.	0.

Joint Costs. Check ☐ if you are following SOP 98-2.Are any joint costs from a combined educational campaign and fundraising solicitation reported in (B) Program services? ☐ Yes ☒ NoIf "Yes," enter (i) the aggregate amount of these joint costs \$ N/A ; (ii) the amount allocated to Program services \$ N/A ;(iii) the amount allocated to Management and general \$ N/A ; and (iv) the amount allocated to Fundraising \$ N/A

Part III Statement of Program Service Accomplishments (See the instructions.)

Form 990 is available for public inspection and, for some people, serves as the primary or sole source of information about a particular organization. How the public perceives an organization in such cases may be determined by the information presented on its return. Therefore, please make sure the return is complete and accurate and fully describes, in Part III, the organization's programs and accomplishments.

What is the organization's primary exempt purpose? ► SEE STATEMENT 7		Program Service Expenses (Required for 501(c)(3) and (4) orgs., and 4947(a)(1) trusts; but optional for others.)
All organizations must describe their exempt purpose achievements in a clear and concise manner. State the number of clients served, publications issued, etc. Discuss achievements that are not measurable. (Section 501(c)(3) and (4) organizations and 4947(a)(1) nonexempt charitable trusts must also enter the amount of grants and allocations to others.)		
a	BLUE HILL MEMORIAL HOSPITAL IS DEDICATED TO PROVIDING PRIMARY AND SELECTED SPECIALTY HEALTHCARE OF OUTSTANDING QUALITY, CARING FOR OUR PATIENTS WITH RESPECT AND COMPASSION, AND IMPROVING THE HEALTH OF THE COMMUNITIES WE SERVE.	42,163,709.
	(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
b		
	(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
c		
	(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
d		
	(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
e	Other program services (attach schedule)	
	(Grants and allocations \$) If this amount includes foreign grants, check here ► <input type="checkbox"/>	
f	Total of Program Service Expenses (should equal line 44, column (B), Program services)	42,163,709.

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Part IV Balance Sheets (See the instructions.)

Note: Where required, attached schedules and amounts within the description column should be for end-of-year amounts only.

		(A) Beginning of year		(B) End of year
Assets	45 Cash - non-interest-bearing	20,446.	45	33,362.
	46 Savings and temporary cash investments	105,110.	46	832,204.
	47 a Accounts receivable	47a 8,012,458.		
	b Less: allowance for doubtful accounts	47b 4,010,279.	3,484,942.	47c 4,002,179.
	48 a Pledges receivable	48a 9,500.		
	b Less: allowance for doubtful accounts	48b	24,446.	48c 9,500.
	49 Grants receivable		49	
	50 a Receivables from current and former officers, directors, trustees, and key employees		50a	
	b Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)		50b	
	51 a Other notes and loans receivable	51a		51c
	b Less: allowance for doubtful accounts	51b		
	52 Inventories for sale or use	277,041.	52	207,346.
	53 Prepaid expenses and deferred charges	286,818.	53	499,535.
	54 a Investments - publicly-traded securities STMT 14 <input type="checkbox"/> Cost <input checked="" type="checkbox"/> FMV	7,200,945.	54a	5,627,742.
	b Investments - other securities <input type="checkbox"/> Cost <input type="checkbox"/> FMV		54b	
55 a Investments - land, buildings, and equipment: basis	55a			
b Less: accumulated depreciation	55b		55c	
56 Investments - other SEE STATEMENT 8	6,839,578.	56	5,802,703.	
57 a Land, buildings, and equipment: basis	57a 23,659,044.			
b Less: accumulated depreciation STMT 9	57b 14,046,042.	8,945,085.	57c 9,613,002.	
58 Other assets, including program-related investments (describe SEE STATEMENT 10)	1,112,837.	58	3,355,067.	
59 Total assets (must equal line 74). Add lines 45 through 58	28,297,248.	59	29,982,640.	
Liabilities	60 Accounts payable and accrued expenses	2,510,750.	60	2,518,928.
	61 Grants payable		61	
	62 Deferred revenue		62	
	63 Loans from officers, directors, trustees, and key employees		63	
	64 a Tax-exempt bond liabilities STMT 11	2,522,199.	64a	2,450,801.
	b Mortgages and other notes payable STMT 12	527,159.	64b	1,510,712.
	65 Other liabilities (describe SEE STATEMENT 13)	2,253,975.	65	5,060,994.
66 Total liabilities. Add lines 60 through 65	7,814,083.	66	11,541,435.	
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here <input checked="" type="checkbox"/> and complete lines 67 through 69 and lines 73 and 74.			
	67 Unrestricted	19,474,270.	67	17,604,379.
	68 Temporarily restricted	756,754.	68	584,685.
	69 Permanently restricted	252,141.	69	252,141.
	Organizations that do not follow SFAS 117, check here <input type="checkbox"/> and complete lines 70 through 74.			
	70 Capital stock, trust principal, or current funds		70	
	71 Paid-in or capital surplus, or land, building, and equipment fund		71	
	72 Retained earnings, endowment, accumulated income, or other funds		72	
	73 Total net assets or fund balances. Add lines 67 through 69 or lines 70 through 72. (Column (A) must equal line 19 and column (B) must equal line 21)	20,483,165.	73	18,441,205.
	74 Total liabilities and net assets/fund balances. Add lines 66 and 73	28,297,248.	74	29,982,640.

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Part VI Other Information (continued)

		Yes	No
82 a	Did the organization receive donated services or the use of materials, equipment, or facilities at no charge or at substantially less than fair rental value?	82a	X
b	If "Yes," you may indicate the value of these items here. Do not include this amount as revenue in Part I or as an expense in Part II. (See instructions in Part III.) 82b N/A		
83 a	Did the organization comply with the public inspection requirements for returns and exemption applications?	83a	X
b	Did the organization comply with the disclosure requirements relating to <i>quid pro quo</i> contributions?	83b	X
84 a	Did the organization solicit any contributions or gifts that were not tax deductible?	84a	X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible? N/A	84b	
85 a	501(c)(4), (5), or (6). Were substantially all dues nondeductible by members? N/A	85a	
b	Did the organization make only in-house lobbying expenditures of \$2,000 or less? N/A If "Yes" was answered to either 85a or 85b, do not complete 85c through 85h below unless the organization received a waiver for proxy tax owed for the prior year.	85b	
c	Dues, assessments, and similar amounts from members 85c N/A		
d	Section 162(e) lobbying and political expenditures 85d N/A		
e	Aggregate nondeductible amount of section 6033(e)(1)(A) dues notices 85e N/A		
f	Taxable amount of lobbying and political expenditures (line 85d less 85e) 85f N/A		
g	Does the organization elect to pay the section 6033(e) tax on the amount on line 85f? N/A	85g	
h	If section 6033(e)(1)(A) dues notices were sent, does the organization agree to add the amount on line 85f to its reasonable estimate of dues allocable to nondeductible lobbying and political expenditures for the following tax year? N/A	85h	
86	501(c)(7) organizations. Enter: a Initiation fees and capital contributions included on line 12 86a N/A		
b	Gross receipts, included on line 12, for public use of club facilities 86b N/A		
87	501(c)(12) organizations. Enter: a Gross income from members or shareholders 87a N/A		
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.) 87b N/A		
88 a	At any time during the year, did the organization own a 50% or greater interest in a taxable corporation or partnership, or an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If "Yes," complete Part IX 88a		X
b	At any time during the year, did the organization, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," complete Part XI 88b		X
89 a	501(c)(3) organizations. Enter: Amount of tax imposed on the organization during the year under: section 4911 ▶ 0.; section 4912 ▶ 0.; section 4955 ▶ 0.		
b	501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," attach a statement explaining each transaction 89b		X
c	Enter: Amount of tax imposed on the organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 0.		
d	Enter: Amount of tax on line 89c, above, reimbursed by the organization 0.		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? 89e		X
f	All organizations. Did the organization acquire a direct or indirect interest in any applicable insurance contract? 89f		X
g	For supporting organizations and sponsoring organizations maintaining donor advised funds. Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year? 89g		X
90 a	List the states with which a copy of this return is filed ▶ NONE		
b	Number of employees employed in the pay period that includes March 12, 2007 90b 301		
91 a	The books are in care of ▶ SCOTT OXLEY Telephone no. ▶ 207-973-5114 Located at ▶ 43 WHITING HILL ROAD, BREWER, ME ZIP + 4 ▶ 04412		
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? 91b	Yes	No
	If "Yes," enter the name of the foreign country ▶ N/A		X
	See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		

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Part VI Other Information (continued) Yes Noc At any time during the calendar year, did the organization maintain an office outside of the United States? 91c ☐ ☒If "Yes," enter the name of the foreign country N/A92 Section 4947(a)(1) nonexempt charitable trusts filing Form 990 in lieu of Form 1041- Check here ☐
and enter the amount of tax-exempt interest received or accrued during the tax year 92 N/A**Part VII Analysis of Income-Producing Activities** (See the instructions.)

Note: Enter gross amounts unless otherwise indicated.

	Unrelated business income		Excluded by section 512, 513, or 514		(E) Related or exempt function income
	(A) Business code	(B) Amount	(C) Exclu- sion code	(D) Amount	
93 Program service revenue:					
a PATIENT FEES					17,857,562.
b					
c					
d					
e					
f Medicare/Medicaid payments					26,786,343.
g Fees and contracts from government agencies					
94 Membership dues and assessments					
95 Interest on savings and temporary cash investments			14	59,010.	
96 Dividends and interest from securities			14	73,615.	
97 Net rental income or (loss) from real estate:					
a debt-financed property					
b not debt-financed property			16	39,180.	
98 Net rental income or (loss) from personal property					
99 Other investment income					
100 Gain or (loss) from sales of assets other than inventory			18	230,057.	
101 Net income or (loss) from special events					
102 Gross profit or (loss) from sales of inventory					
103 Other revenue:					
a CAFETERIA INCOME			03	67,370.	
b MISC. REVENUE					242,176.
c VENDING SALES			03	16,639.	
d					
e					
104 Subtotal (add columns (B), (D), and (E))		0.		485,871.	44,886,081.
105 Total (add line 104, columns (B), (D), and (E))					45,371,952.

Note: Line 105 plus line 1e, Part I, should equal the amount on line 12, Part I.

Part VIII Relationship of Activities to the Accomplishment of Exempt Purposes (See the instructions.)

Line No.	Explain how each activity for which income is reported in column (E) of Part VII contributed importantly to the accomplishment of the organization's exempt purposes (other than by providing funds for such purposes).
93	REVENUES ARE DERIVED FROM MEDICAL SERVICES PROVIDED TO INDIVIDUALS
&	NEEDING ACUTE AND NONACUTE CARE.
103	

Part IX Information Regarding Taxable Subsidiaries and Disregarded Entities (See the instructions.)

(A) Name, address, and EIN of corporation, partnership, or disregarded entity	(B) Percentage of ownership interest	(C) Nature of activities	(D) Total income	(E) End-of-year assets
	%			
N/A	%			
	%			
	%			

Part X Information Regarding Transfers Associated with Personal Benefit Contracts (See the instructions.)(a) Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☒ No(b) Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? ☐ Yes ☒ No

Note: If "Yes" to (b), file Form 8870 and Form 4720 (see instructions).

Part XI Information Regarding Transfers To and From Controlled Entities. Complete only if the organization is a controlling organization as defined in section 512(b)(13). **N/A**

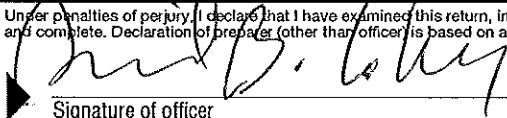
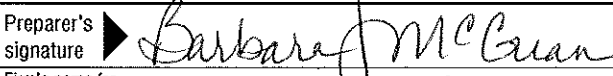
106 Did the reporting organization make any transfers to a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
Totals				

107 Did the reporting organization receive any transfers from a controlled entity as defined in section 512(b)(13) of the Code? If "Yes," complete the schedule below for each controlled entity.

	(A) Name, address, of each controlled entity	(B) Employer Identification Number	(C) Description of transfer	(D) Amount of transfer
a	----- ----- -----			
b	----- ----- -----			
c	----- ----- -----			
Totals				

108 Did the organization have a binding written contract in effect on August 17, 2006, covering the interest, rents, royalties, and annuities described in question 107 above?

Please Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.	
	 Signature of officer	2-17-09 Date
Paid Preparer's Use Only	DANIEL B. COFFEY, INTERIM CFO Type or print name and title	
	Preparer's signature  Firm's name (or yours if self-employed), address, and ZIP + 4 BERRY, DUNN, MCNEIL & PARKER P.O. BOX 1100 PORTLAND, ME 04101-1100	Date 02/13/09 Check if self-employed <input type="checkbox"/> EIN Phone no. (207) 775-2387
	Preparer's SSN or PTIN (See Gen. Inst. X)	

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FORM 990	RENTAL INCOME	STATEMENT	1
KIND AND LOCATION OF PROPERTY	ACTIVITY NUMBER	GROSS RENTAL INCOME	
MEDICAL OFFICE BUILDINGS, BLUE HILL, ME	1	39,180.	
TOTAL TO FORM 990, PART I, LINE 6A		39,180.	

FORM 990	GAIN (LOSS) FROM PUBLICLY TRADED SECURITIES			STATEMENT	2
DESCRIPTION	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	NET GAIN OR (LOSS)	
VARIOUS SECURITIES	2,026,185.	1,781,530.	0.	244,655.	
TO FORM 990, PART I, LINE 8	2,026,185.	1,781,530.	0.	244,655.	

FORM 990	GAIN (LOSS) FROM SALE OF OTHER ASSETS	STATEMENT	3
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DESCRIPTION	DATE ACQUIRED	DATE SOLD	METHOD ACQUIRED
VARIOUS SCRAPPED FIXED ASSETS			PURCHASED

NAME OF BUYER	GROSS SALES PRICE	COST OR OTHER BASIS	EXPENSE OF SALE	DEPREC	NET GAIN OR (LOSS)
	0.	92,805.	0.	78,207.	-14,598.
TO FM 990, PART I, LN 8		92,805.	0.	78,207.	-14,598.

FORM 990	PAYMENTS TO AFFILIATES	STATEMENT	4
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AFFILIATE'S NAME	AFFILIATE'S ADDRESS
EASTERN MAINE HEALTHCARE SYSTEMS	43 WHITING HILL ROAD BREWER, ME 04412

PURPOSE OF PAYMENT	AMOUNT
TO FUND STRATEGIC PLANNING POOL	183,221.

TOTAL TO FORM 990, PART I, LINE 16	183,221.
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FORM 990	OTHER CHANGES IN NET ASSETS OR FUND BALANCES	STATEMENT	5
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DESCRIPTION	AMOUNT
CHANGE IN BENEFICIAL INTEREST IN NET ASSETS OF BHMH FOUNDATION	-1,036,876.
UNREALIZED LOSS ON INVESTMENTS	-473,277.
TOTAL TO FORM 990, PART I, LINE 20	-1,510,153.

FORM 990	OTHER EXPENSES	STATEMENT	6
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DESCRIPTION	(A) TOTAL	(B) PROGRAM SERVICES	(C) MANAGEMENT AND GENERAL	(D) FUNDRAISING
CONTRACTUAL ALLOWANCES	15,076,635.	15,076,635.		
CHARITY CARE	1,219,810.	1,219,810.		
PURCHASED SERVICES	3,248,146.	2,696,707.	551,439.	
PHYSICIAN FEES	30,100.	30,100.		
MEDICARE PROVIDER TAX	1,558,288.	1,558,288.		
INSURANCE	532,131.	532,131.		
MISCELLANEOUS	810,621.	765,958.	44,663.	
DUES & SUBSCRIPTIONS	73,712.	14,156.	59,556.	
LICENSES & TAXES	139,656.	35,750.	103,906.	
CONSULTING	38,829.	38,829.		
EDUCATION & TRAINING	44,296.	27,398.	16,898.	
RECRUITING	370,038.	118,627.	251,411.	
TOTAL TO FM 990, LN 43	23,142,262.	22,114,389.	1,027,873.	

FORM 990	STATEMENT OF ORGANIZATION'S PRIMARY EXEMPT PURPOSE PART III	STATEMENT	7
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EXPLANATION

PROVIDING HOSPITAL, HOME HEALTH, AND RURAL HEALTH CENTER SERVICING OVER 89,000 PEOPLE IN WESTERN HANCOCK COUNTY, MAINE.

FORM 990	OTHER INVESTMENTS	STATEMENT	8
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DESCRIPTION	VALUATION METHOD	AMOUNT
INVESTMENT IN AFFILIATE	COST	5,802,703.
TOTAL TO FORM 990, PART IV, LINE 56, COLUMN B		5,802,703.

FORM 990	DEPRECIATION OF ASSETS NOT HELD FOR INVESTMENT	STATEMENT	9
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DESCRIPTION	COST OR OTHER BASIS	ACCUMULATED DEPRECIATION	BOOK VALUE
BUILDINGS	10,911,932.	5,663,068.	5,248,864.
FIXED EQUIPMENT	3,660,075.	1,884,004.	1,776,071.
MAJOR MOVEABLE EQUIPMENT	8,631,801.	6,406,242.	2,225,559.
CONSTRUCTION IN PROGRESS	7,249.	0.	7,249.
LAND IMPROVEMENTS	374,113.	92,728.	281,385.
LAND	73,874.	0.	73,874.
TOTAL TO FORM 990, PART IV, LN 57	23,659,044.	14,046,042.	9,613,002.

FORM 990	OTHER ASSETS	STATEMENT	10
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DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
DEFERRED FINANCE COSTS	47,925.	44,216.
DUE FROM RELATED PARTIES	73,833.	58,284.
ESTIMATED THIRD PARTY PAYOR SETTLEMENTS	991,079.	3,238,165.
CASH SURRENDER VALUE OF LIFE INSURANCE	0.	14,402.
TOTAL TO FORM 990, PART IV, LINE 58	1,112,837.	3,355,067.

FORM 990	TAX-EXEMPT BOND LIABILITIES OUTSTANDING	STATEMENT 11
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PURPOSE OF ISSUE

MHHEFA REVENUE BONDS SERIES 1998A

<u>USE BY THIRD PARTY</u>	<u>UNEXPENDED BOND PROCEEDS</u>	<u>AMOUNT OF ISSUE OUTSTANDING</u>
NO	0.	2,450,801.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64A

2,450,801.

FORM 990

OTHER NOTES AND LOANS PAYABLE

STATEMENT 12

LENDER'S NAME	TERMS OF REPAYMENT
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SIEMENS CAPITAL LEASE	\$8,259/MONTH
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DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
05/04/04	06/04/09	495,038.	5.75%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
EQUIPMENT	TO PURCHASE EQUIPMENT

RELATIONSHIP OF LENDER

COMMERCIAL LESSOR

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
N/A	0.	111,897.

LENDER'S NAME	TERMS OF REPAYMENT
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PHILIPS CAPITAL LEASE	\$1,839/MONTH
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DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
06/28/05	06/28/10	90,331.	8.18%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
EQUIPMENT	TO PURCHASE EQUIPMENT

RELATIONSHIP OF LENDER

COMMERCIAL LESSOR

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
N/A	0.	45,218.

LENDER'S NAME	TERMS OF REPAYMENT
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PHILIPS CAPITAL LEASE	\$6,715/MONTH
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DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
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05/12/07	04/01/12	331,499.	8.18%
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SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
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EQUIPMENT	EQUIPMENT LEASE
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RELATIONSHIP OF LENDER

COMMERCIAL LESSOR

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
N/A	0.	278,545.

LENDER'S NAME	TERMS OF REPAYMENT
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UNION TRUST BANK	\$7,104/MONTH
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DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
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08/28/07	02/28/09	120,000.	8.00%
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SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
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EQUIPMENT	PURCHASE OF EQUIPMENT
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RELATIONSHIP OF LENDER

NONE

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
N/A	0.	75,052.

LENDER'S NAME	TERMS OF REPAYMENT
BLUE HILL MEMORIAL HOSPITAL FOUNDATION	\$5,833/MONTH

DATE OF NOTE	MATURITY DATE	ORIGINAL LOAN AMOUNT	INTEREST RATE
11/01/07	09/30/09	1,000,000.	5.25%

SECURITY PROVIDED BY BORROWER	PURPOSE OF LOAN
UNSECURED	TO COVER CASH NEEDS OF THE ORGANIZATION

RELATIONSHIP OF LENDER

SUPPORTING ORGANIZATION

DESCRIPTION OF CONSIDERATION	FMV OF CONSIDERATION	BALANCE DUE
N/A	0.	1,000,000.

TOTAL INCLUDED ON FORM 990, PART IV, LINE 64, COLUMN B	1,510,712.
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FORM 990	OTHER LIABILITIES	STATEMENT 13
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DESCRIPTION	BEGINNING OF YEAR	END OF YEAR
LINE OF CREDIT	2,000,000.	700,000.
ESTIMATED THIRD PARTY SETTLEMENTS DUE TO AFFILIATE	0.	1,457,071.
	253,975.	2,903,923.
TOTAL TO FORM 990, PART IV, LINE 65	2,253,975.	5,060,994.

FORM 990	NON-GOVERNMENT SECURITIES	STATEMENT 14
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SECURITY DESCRIPTION	COST/FMV	CORPORATE STOCKS	CORPORATE BONDS	OTHER PUBLICLY TRADED SECURITIES	TOTAL NON-GOV'T SECURITIES
SECURITIES AND OTHER INVESTMENTS	FMV			5,627,742.	5,627,742.
TO FORM 990, LINE 54A, COL B				5,627,742.	5,627,742.

FORM 990	OTHER EXPENSES NOT INCLUDED ON FORM 990	STATEMENT 15
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DESCRIPTION	AMOUNT
NET UNREALIZED LOSS ON INVESTMENTS	473,278.
CHANGE IN BENEFICIAL INTEREST IN NET ASSETS	1,036,875.
TOTAL TO FORM 990, PART IV-B	1,510,153.

FORM 990	OTHER REVENUE INCLUDED ON FORM 990	STATEMENT 16
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DESCRIPTION	AMOUNT
CONTRACTUAL ALLOWANCES	15,076,635.
CHARITY CARE	1,219,810.
TOTAL TO FORM 990, PART IV-A	16,296,445.

FORM 990	OTHER EXPENSES INCLUDED ON FORM 990	STATEMENT 17
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DESCRIPTION	AMOUNT
CONTRACTUAL ALLOWANCES	15,076,635.
CHARITY CARE	1,219,810.
TOTAL TO FORM 990, PART IV-B	16,296,445.

Depreciation and Amortization 990
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

2007Attachment
Sequence No. 67**BLUE HILL MEMORIAL HOSPITAL****FORM 990 PAGE 2****01-0227195****Part I Election To Expense Certain Property Under Section 179** Note: If you have any listed property, complete Part V before you complete Part I.

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	125,000.
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation	3	500,000.
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2006 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2008. Add lines 9 and 10, less line 12	13	

Note: Do not use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**Section A**

17	MACRS deductions for assets placed in service in tax years beginning before 2007	17	1,435,393.
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here		

Section B - Assets Placed in Service During 2007 Tax Year Using the General Depreciation System

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
c 7-year property						
d 10-year property						
e 15-year property						
f 20-year property						
g 25-year property			25 yrs.		S/L	
h Residential rental property	/		27.5 yrs.	MM	S/L	
	/		27.5 yrs.	MM	S/L	
i Nonresidential real property	/		39 yrs.	MM	S/L	
	/			MM	S/L	

Section C - Assets Placed in Service During 2007 Tax Year Using the Alternative Depreciation System

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year	/		40 yrs.	MM	S/L	

Part IV Summary (see instructions)

21	Listed property. Enter amount from line 28	21	
22	Total. Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	1,435,393.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

Part V**Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)**Note:** For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.**Section A - Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles.)****24a** Do you have evidence to support the business/investment use claimed? ☐ Yes ☐ No **24b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
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25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use**25****26** Property used more than 50% in a qualified business use:

	:	:	%					
	:	:	%					
	:	:	%					

27 Property used 50% or less in a qualified business use:

	:	:	%			S/L -		
	:	:	%			S/L -		
	:	:	%			S/L -		

28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1**28****29** Add amounts in column (i), line 26. Enter here and on line 7, page 1**29****Section B - Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.

If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle	(b) Vehicle	(c) Vehicle	(d) Vehicle	(e) Vehicle	(f) Vehicle
30 Total business/investment miles driven during the year (do not include commuting miles)						
31 Total commuting miles driven during the year						
32 Total other personal (noncommuting) miles driven						
33 Total miles driven during the year. Add lines 30 through 32						
34 Was the vehicle available for personal use during off-duty hours?	Yes	No	Yes	No	Yes	No
35 Was the vehicle used primarily by a more than 5% owner or related person?						
36 Is another vehicle available for personal use?						

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?	Yes	No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use?		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.**Part VI Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
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42 Amortization of costs that begins during your 2007 tax year:

	:	:			
	:	:			

43 Amortization of costs that began before your 2007 tax year**43**

3,709.

44 Total. Add amounts in column (f). See the instructions for where to report**44**

3,709.

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

▶ File a separate application for each return.

- If you are filing for an Automatic 3-Month Extension, complete only Part I and check this box ☒ **X**
 - If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II (on page 2 of this form).
- Do not complete Part II unless you have already been granted an automatic 3-month extension on a previously filed Form 8868.

Part I Automatic 3-Month Extension of Time. Only submit original (no copies needed).

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete

Part I only ☐

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below (6 months for a corporation required to file Form 990-T). However, you cannot file Form 8868 electronically if (1) you want the additional (not automatic) 3-month extension or (2) you file Forms 990-BL, 6069, or 8870, group returns, or a composite or consolidated Form 990-T. Instead, you must submit the fully completed and signed page 2 (Part II) of Form 8868. For more details on the electronic filing of this form, visit www.irs.gov/efile and click on e-file for Charities & Nonprofits.

Type or print	Name of Exempt Organization BLUE HILL MEMORIAL HOSPITAL	Employer identification number 01-0227195
File by the due date for filing your return. See Instructions.	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 823, 57 WATER STREET	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BLUE HILL, ME 04614	

Check type of return to be filed (file a separate application for each return):

- | | | |
|--|---|------------------------------------|
| <input checked="" type="checkbox"/> Form 990 | <input type="checkbox"/> Form 990-T (corporation) | <input type="checkbox"/> Form 4720 |
| <input type="checkbox"/> Form 990-BL | <input type="checkbox"/> Form 990-T (sec. 401(a) or 408(a) trust) | <input type="checkbox"/> Form 5227 |
| <input type="checkbox"/> Form 990-EZ | <input type="checkbox"/> Form 990-T (trust other than above) | <input type="checkbox"/> Form 6069 |
| <input type="checkbox"/> Form 990-PF | <input type="checkbox"/> Form 1041-A | <input type="checkbox"/> Form 8870 |

- The books are in the care of ▶ **JEFF PROVENZANO**
Telephone No. ▶ **207-374-2836** FAX No. ▶ _____
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension will cover.

- 1 I request an automatic 3-month (6-months for a corporation required to file Form 990-T) extension of time until **NOVEMBER 15, 2008**, to file the exempt organization return for the organization named above. The extension is for the organization's return for:

- ▶ ☐ calendar year _____ or
▶ ☒ tax year beginning **APR 1, 2007**, and ending **MAR 31, 2008**.

- 2 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	\$
b If this application is for Form 990-PF or 990-T, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	\$
c Balance Due. Subtract line 3b from line 3a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	\$ N/A

Caution. If you are going to make an electronic fund withdrawal with this Form 8868, see Form 8453-EO and Form 8879-EO for payment instructions.

LHA For Privacy Act and Paperwork Reduction Act Notice, see Instructions.

Form 8868 (Rev. 4-2008)

- If you are filing for an Additional (Not Automatic) 3-Month Extension, complete only Part II and check this box ☒ **X**
- Note.** Only complete Part II if you have already been granted an automatic 3-month extension on a previously filed Form 8868.
- If you are filing for an Automatic 3-Month Extension, complete only Part I (on page 1).

Part II		Additional (Not Automatic) 3-Month Extension of Time. You must file original and one copy.	
Type or print File by the extended due date for filing the return. See instructions.	Name of Exempt Organization		Employer identification number
	BLUE HILL MEMORIAL HOSPITAL		01-0227195
	Number, street, and room or suite no. If a P.O. box, see instructions. P.O. BOX 823, 57 WATER STREET		For IRS use only
	City, town or post office, state, and ZIP code. For a foreign address, see instructions. BLUE HILL, ME 04614		

Check type of return to be filed (File a separate application for each return):

- ☒ Form 990
 ☐ Form 990-EZ
 ☐ Form 990-T (sec. 401(a) or 408(a) trust)
 ☐ Form 1041-A
 ☐ Form 5227
 ☐ Form 8870
☐ Form 990-BL
☐ Form 990-PF
☐ Form 990-T (trust other than above)
☐ Form 4720
☐ Form 6069

STOP! Do not complete Part II if you were not already granted an automatic 3-month extension on a previously filed Form 8868.

- The books are in the care of **JEFF PROVENZANO**
Telephone No. **207-374-2836** FAX No. _____
- If the organization does not have an office or place of business in the United States, check this box ☐
- If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) _____. If this is for the whole group, check this box ☐. If it is for part of the group, check this box ☐ and attach a list with the names and EINs of all members the extension is for.

- 4 I request an additional 3-month extension of time until **FEBRUARY 15, 2009.**
- 5 For calendar year _____, or other tax year beginning **APR 1, 2007**, and ending **MAR 31, 2008**
- 6 If this tax year is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

- 7 State in detail why you need the extension
INFORMATION FROM THIRD PARTIES HAS NOT YET BEEN COMPILED. THEREFORE, ADDITIONAL TIME IS NECESSARY TO FILE A COMPLETE AND ACCURATE RETURN.

8a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	8a	\$
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit and any amount paid previously with Form 8868.	8b	\$
c	Balance Due. Subtract line 8b from line 8a. Include your payment with this form, or, if required, deposit with FTD coupon or, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	8c	\$ N/A

Signature and Verification

Under penalties of perjury, I declare that I have examined this form, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete, and that I am authorized to prepare this form.

Signature Barbara McGowan Title CPA Date 11/4/08

Form 8868 (Rev. 4-2008)